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24 January 1967

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Mr. William C. Hamilton, Country Director,
Laos, Bureau of East Asian and Pacific Affairs, State

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1. The undersigned and Mr. [REDACTED] met with Mr. Hamilton on 23 January to discuss Department of State interests in Laos which might be researchable and therefore included in ORR's study on Laos.

2. Mr. Hamilton noted three interdepartmental studies on Laos which would wrap-up the current information and thinking on the subject:

a. A review of the situation in Laos by an IRG working group headed by Hamilton.

b. A follow-on study by the same IRG group, due within 30 days, which will be concerned with policies for the future.

c. A Treasury Department study on stabilization fund arrangements, concerned primarily with the question of future U.S. balance of payments support to Laos. This study has a March deadline and is under the direction of Mr. Ralph Hirschtritt (Deputy Assistant Secretary for International Financial and Economic Affairs), with Mr. Curt Ferrier doing most of the work.

3. Mr. Hamilton suggested that the direction of future ORR research on Laos could be pointed to by a critical evaluation of these reports. He stated that a good deal that would be very useful to know was probably not researchable because of the lack of information. However, there has recently been a marked improvement in the flow of information. Suggested areas of research that came immediately to Mr. Hamilton's mind were:

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a. How are things going on the Pathet Lao side? How "spongy" is their situation? Is the proportion of NVA troops increasing, indicating that the P.L. structure may be deteriorating? Mr. Hamilton noted that Paul Langer (RAND) was now in Laos to study this subject but probably would not report until this fall.

b. We know virtually nothing of the future intentions of the Communists with respect to Laos. Clearly, there is a strong relationship to the resolution of the war in South Vietnam. However, as a minimum it is unlikely that Hanoi would give up its hold on the northeast. On the other hand, Hanoi may look upon Laos as a trade-off for South Vietnam; this view has been advanced by Graham Martin, our present Ambassador to Thailand. The key question is, "What are the Communists likely to settle for in Laos?"

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d. The problem of the next generation in Laos -- who are the potential future leaders? Whom should the U.S. back? Who are the likely successors to Souvanna Phouma, the 65 year old neutralist Premier. Mr. Hamilton called this "a grievous void" in our information, and said that it had been worked on in the field by State, but so far without much success.

4. Mr. Hamilton noted that the situation in Laos is changing. He pointed to the reconciliation between the Right and Center, who were shouting at each other a few years ago. There have been significant political changes in the past year, and these can be projected

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to continue in the future. While conservative pressures will continue, the Right is more split than solidified, and General Kouprasith's position is not growing stronger. The longer that the present situation in Laos goes on (that is, the rather precarious stability), the greater the evolution of the Laos political situation. Evidence of this can be found in the New Year's Day election.

5. We discussed ORR alternatives in Laotian research. Primarily, this is a choice of dividing ORR research into two parts -- (1) the 1949-66 background, and (2) the follow-up production of specific pieces of known value. Mr. Hamilton felt that, by itself, the historical piece would be very worthwhile. We should, therefore, investigate this possible division and decide quickly on a course of research action.

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**Deputy Director
Research and Reports**

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